

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re:

FRANCHISE GROUP, INC., *et al.*,¹

Debtors.

Chapter 11

Case No. 24-12480 (LSS)

(Jointly Administered)

Re: Docket No. 355

Objection Deadline:

May 9, 2025 at 4:00 p.m. (ET)

**NOTICE OF FILING OF THE ORDINARY
COURSE PROFESSIONAL DECLARATION OF RSM US LLP**

PLEASE TAKE NOTICE that on December 6, 2024, the Court entered the *Order Authorizing (A) the Debtors to Retain, Employ, and Compensate Certain Professionals Utilized by the Debtors in the Ordinary Course of Business Effective as of the Petition Date and (B) Waiving Certain Information Requirements of Local Rule 2016-2* [Docket No. 355] (the “OCP Order”).² The OCP Order provides that each Ordinary Course Professional shall file a

The Debtors in these chapter 11 cases, along with the last four digits of their U.S. federal tax identification numbers, to the extent applicable, are Franchise Group, Inc. (1876), Freedom VCM Holdings, LLC (1225), Freedom VCM Interco Holdings, Inc. (2436), Freedom Receivables II, LLC (4066), Freedom VCM Receivables, Inc. (0028), Freedom VCM Interco, Inc. (3661), Freedom VCM, Inc. (3091), Franchise Group New Holdco, LLC (0444), American Freight FFO, LLC (5743), Franchise Group Acquisition TM, LLC (3068), Franchise Group Intermediate Holdco, LLC (1587), Franchise Group Intermediate L, LLC (9486), Franchise Group Newco Intermediate AF, LLC (8288), American Freight Group, LLC (2066), American Freight Holdings, LLC (8271), American Freight, LLC (5940), American Freight Management Company, LLC (1215), Franchise Group Intermediate S, LLC (5408), Franchise Group Newco S, LLC (1814), American Freight Franchising, LLC (1353), Home & Appliance Outlet, LLC (n/a), American Freight Outlet Stores, LLC (9573), American Freight Franchisor, LLC (2123), Franchise Group Intermediate B, LLC (7836), Buddy's Newco, LLC (5404), Buddy's Franchising and Licensing LLC (9968), Franchise Group Intermediate V, LLC (5958), Franchise Group Newco V, LLC (9746), Franchise Group Intermediate BHF, LLC (8260), Franchise Group Newco BHF, LLC (4123), Valor Acquisition, LLC (3490), Vitamin Shoppe Industries LLC (3785), Vitamin Shoppe Global, LLC (1168), Vitamin Shoppe Mariner, LLC (6298), Vitamin Shoppe Procurement Services, LLC (8021), Vitamin Shoppe Franchising, LLC (8271), Vitamin Shoppe Florida, LLC (6590), Betancourt Sports Nutrition, LLC (0470), Franchise Group Intermediate PSP, LLC (5965), Franchise Group Newco PSP, LLC (2323), PSP Midco, LLC (6507), Pet Supplies "Plus", LLC (5852), PSP Group, LLC (5944), PSP Service Newco, LLC (6414), WNW Franchising, LLC (9398), WNW Stores, LLC (n/a), PSP Stores, LLC (9049), PSP Franchising, LLC (4978), PSP Subco, LLC (6489), PSP Distribution, LLC (5242), Franchise Group Intermediate SL, LLC (2695), Franchise Group Newco SL, LLC (7697), and Educate, Inc. (5722). The Debtors' headquarters is located at 2371 Liberty Way, Virginia Beach, Virginia 23456.

² Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in the motion for entry of the OCP Order [Docket No. 257].

Disclosure Declaration prior to the receipt of payment of fees and reimbursement of expenses incurred for postpetition services rendered to the Debtors.

PLEASE TAKE FURTHER NOTICE that, in accordance with the procedures set forth in the OCP Order, the Debtors hereby file the Disclosure Declaration of RSM US LLP (the “OCP Declaration”), a copy of which is attached hereto as **Exhibit A**.

PLEASE TAKE FURTHER NOTICE that, in accordance with the procedures set forth in the OCP Order, any objections to the OCP Declaration must be filed and served on or before **May 9, 2025 at 4:00 p.m. (ET)** (the “Objection Deadline”). If no timely objection is filed and served, the Debtors shall be authorized to retain the Ordinary Course Professional on a final basis without further order of the Court, at which time the Debtors shall be authorized to compensate the Ordinary Course Professional consistent with the terms of the OCP Order.

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Dated: April 25, 2025
Wilmington, Delaware

/s/ Allison S. Mielke

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and Debtors in Possession*

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FOR THE DISTRICT OF DELAWARE**

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Debtors.

Chapter 11

Case No. 24-12480 (LSS)

(Jointly Administered)

Objection Deadline: May 9, 2025 at 4:00 p.m. (ET)

DISCLOSURE DECLARATION OF ORDINARY COURSE PROFESSIONAL

1. I, Kunal Bhatt, hereby declare that the following is true to the best of my knowledge, information and belief:

2. I am a Partner of RSM US LLP (the “Firm”) which maintains offices at 151 West 42nd Street, 19th Floor New York, NY 10036.

3. This Declaration is submitted in connection with the *Order Authorizing (A) the Debtors to Retain, Employ, and Compensate Certain Professionals Utilized by the Debtors in the*

¹ The Debtors in these chapter 11 cases, along with the last four digits of their U.S. federal tax identification numbers, to the extent applicable, are Franchise Group, Inc. (1876), Freedom VCM Holdings, LLC (1225), Freedom VCM Interco Holdings, Inc. (2436), Freedom Receivables II, LLC (4066), Freedom VCM Receivables, Inc. (0028), Freedom VCM Interco, Inc. (3661), Freedom VCM, Inc. (3091), Franchise Group New Holdco, LLC (0444), American Freight FFO, LLC (5743), Franchise Group Acquisition TM, LLC (3068), Franchise Group Intermediate Holdco, LLC (1587), Franchise Group Intermediate L, LLC (9486), Franchise Group Newco Intermediate AF, LLC (8288), American Freight Group, LLC (2066), American Freight Holdings, LLC (8271), American Freight, LLC (5940), American Freight Management Company, LLC (1215), Franchise Group Intermediate S, LLC (5408), Franchise Group Newco S, LLC (1814), American Freight Franchising, LLC (1353), Home & Appliance Outlet, LLC (n/a), American Freight Outlet Stores, LLC (9573), American Freight Franchisor, LLC (2123), Franchise Group Intermediate B, LLC (7836), Buddy’s Newco, LLC (5404), Buddy’s Franchising and Licensing LLC (9968), Franchise Group Intermediate V, LLC (5958), Franchise Group Newco V, LLC (9746), Franchise Group Intermediate BHF, LLC (8260), Franchise Group Newco BHF, LLC (4123), Valor Acquisition, LLC (3490), Vitamin Shoppe Industries LLC (3785), Vitamin Shoppe Global, LLC (1168), Vitamin Shoppe Mariner, LLC (6298), Vitamin Shoppe Procurement Services, LLC (8021), Vitamin Shoppe Franchising, LLC (8271), Vitamin Shoppe Florida, LLC (6590), Betancourt Sports Nutrition, LLC (0470), Franchise Group Intermediate PSP, LLC (5965), Franchise Group Newco PSP, LLC (2323), PSP Midco, LLC (6507), Pet Supplies “Plus”, LLC (5852), PSP Group, LLC (5944), PSP Service Newco, LLC (6414), WNW Franchising, LLC (9398), WNW Stores, LLC (n/a), PSP Stores, LLC (9049), PSP Franchising, LLC (4978), PSP Subco, LLC (6489), PSP Distribution, LLC (5242), Franchise Group Intermediate SL, LLC (2695), Franchise Group Newco SL, LLC (7697), and Educate, Inc. (5722). The Debtors’ headquarters is located at 2371 Liberty Way, Virginia Beach, Virginia 23456.

Ordinary Course of Business Effective as of the Petition Date and (B) Waiving Certain Information Requirements of Local Rule 2016-2 [Docket No. 355] (the “OCP Order”) of the United States Bankruptcy Court for the District of Delaware (the “Court”) dated December 6, 2024, authorizing the above-captioned debtors and debtors in possession (collectively, the “Debtors”) to retain certain professionals in the ordinary course of business during the pendency of the Debtors’ chapter 11 cases (the “Chapter 11 Cases”).

4. The Firm is not a legal services firm.

5. The Firm has performed professional services, including consulting services and financial due diligence services for the Debtors, since July 17, 2023.

6. As of the Petition Date, the Firm does not hold a retainer.

7. The Debtors have requested, and the Firm has agreed, to continue to provide services to the Debtors pursuant to section 327 of title 11 of the United States Code, 11 U.S.C. §§ 101–1532 (the “Bankruptcy Code”) with respect to such matters.

8. The Firm’s cost for services for this engagement is based on estimated hours and was quoted as an estimated fee for services (subject to customary billing adjustments for actual hours incurred and changes to scope of work). Our current hourly rates by personnel level are included below at **Attachment A**.

9. The Firm does keep time records in one-tenth-of-an-hour increments.

10. To the best of my knowledge, formed after due inquiry, neither I nor any of the Firm’s professionals providing services to the Debtors is a relative of the United States Bankruptcy Judge assigned to these Chapter 11 Cases, and the Firm does not have any connection with the United States Bankruptcy Judge, the Office of the United States Trustee, or any person employed by the Office of the United States Trustee that would render the Firm’s retention in these Chapter

11 Cases improper. Further, I am not aware of any professionals employed by the Firm who is a relative of the United States Bankruptcy Judge assigned to these Chapter 11 cases.

11. To the best of my knowledge, formed after due inquiry, neither I, the Firm, nor any professional thereof has any connection with, or currently represents, any of the Debtors' creditors or other parties in interest with respect to the matters upon which it is to be engaged or have any relationship with any such person, their attorneys or their accountants that would be adverse to the Debtors or their estates.

12. In addition, although unascertainable at this time after due inquiry, by virtue of the magnitude of the Debtors' potential universe of creditors, other parties in interest and the Firm's clients, the Firm may have in the past represented, currently represent, and may in the future represent entities and individuals that are creditors of the Debtors or are other parties in interest in matters entirely unrelated to the Debtors and their estates. To the best of my knowledge, formed after due inquiry, the Firm does not and will not represent any such parties in connection with these pending Chapter 11 Cases and does not have any relationship with any creditor or party in interest that would be adverse to the Debtors or their estates. I believe that the Firm's representation of such entities in matters entirely unrelated to the Debtors is not adverse to the Debtors' interests, or the interests of their creditors or estates in respect of the matters for which the Firm will be engaged, nor will such representation impair the Firm's ability to represent the Debtors in these Chapter 11 Cases.

13. The Firm's process of ascertaining whether it holds or represents an interest adverse to the Debtors, their estates, or any class of creditors or equity interest holders or parties in interest consists of the following: the Firm searches its own internal systems that it utilizes for conflicts checks in the ordinary course of business as a professional accounting firm, and follows its

ordinary course procedures for identifying potential conflicts of interest. When those systems and procedures reveal a possible conflict, the Firm manually reviews those results and determines if there is a conflict.

14. Pursuant to Rule 2014(a) of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”), I obtained a list of interested parties (the “Interested Parties List”) from counsel to the Debtors, which includes the Debtors, their creditors, other parties in interest, and certain professionals employed in the above-captioned chapter 11 cases (the “Interested Parties”) and undertook a search for any connections between the Firm and the Interested Parties as set forth above. The Firm’s review did not identify any connections, including current and prior representations.

15. To the best of my knowledge, formed after due inquiry, the Firm does not perform services that relate to the Debtors or the above-captioned chapter 11 cases, or have any relationship with any such person, their attorneys or their accountants that would be adverse to the Debtors or their estates.

16. In light of the foregoing, I believe that the Firm does not hold or represent any interest materially adverse to the Debtors, their estates, creditors, or equity interest holders, as identified to the Firm, with respect to the matter in which the Firm will be engaged.

17. In the last year, the Firm has been paid \$0 by the Debtors in respect of services rendered to the Debtors. In addition, the Firm has rendered services that have not yet been billed or that have been billed but with respect to which payment has not yet been received. The Firm is currently owed \$131,250 on account of prepetition services. The Firm has waived, or will waive, any prepetition claims against the Debtors’ estates.

18. I also understand the limitations on compensation and reimbursement of expenses under the OCP Order. Specifically, the Firm understands that in the event its fees and expenses exceed a total of \$50,000 per month, on average, over a rolling three-month period, the Firm will be required to file with the Court a fee application for approval of its fees and expenses for such month in accordance with sections 330, 331, and 504(b) of the Bankruptcy Code, Bankruptcy Rule 2016, and rule 2016-1 of the Local Rules of the United States Bankruptcy Court for the District of Delaware (the “Local Rules”), and any applicable procedures or orders of the Court.

19. Except as set forth herein, no promises have been received by the Firm or any partner, associate, or other professional thereof as to compensation in connection with these Chapter 11 Cases other than in accordance with the provisions of the Bankruptcy Code, the Bankruptcy Rules, the Local Rules, and orders of the Court.

20. The Firm further states that it has not shared, nor agreed to share any compensation received in connection with these Chapter 11 Cases with another party or person, other than as permitted by the Bankruptcy Rules.

21. The foregoing constitutes the statement of the Firm pursuant to sections 329 and 504 of the Bankruptcy Code and Bankruptcy Rules 2014 and 2016(b).

I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct.

Dated: April 25, 2025



Kunal Bhatt
151 West 42nd Street
Floors 18-20
New York, NY 10036

Attachment A: Prevailing Hourly Rates By Consultant Level

Consultant Level	Average Hourly Rate
Partner/Principal	\$1,075 - \$1,400
Managing Director	\$1,040 - \$1,295
Senior Director	\$970 - \$1,105
Director	\$920 - \$1,055
Manager	\$755 - \$825
Supervisor	\$590 - \$660
Senior Associate	\$465 - \$545
Associate	\$340 - \$425